

SIKKIM



GOVERNMENT

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**GOVERNMENT OF SIKKIM
FINANCE, REVENUE AND EXPENDITURE DEPARTMENT
COMMERCIAL TAXES DIVISION
GANGTOK**

No. 06/2019- State Tax (Rate)

Date: 29.03.2019

NOTIFICATION

In exercise of the powers conferred by section 148 of the Sikkim Goods and Services Tax Act, 2017 (9 of 2017), the State Government, on the recommendations of the Council, hereby notifies the following classes of registered persons, namely,

- (i) a promoter who receives development rights or FSI (including additional FSI) on or after 01.04.2019 for construction of a project against consideration payable or paid by him, wholly or partly, in the form of construction service of commercial or residential apartments in the project or in any other form including in cash;
- (ii) a promoter who receives long term lease of land on or after 01.04.2019 for construction of residential apartments in a project against consideration payable or paid by him, in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name);

as registered person in whose case the liability to pay state tax on,-

- (a) the consideration paid by him in the form of construction service of commercial or residential apartments in the project, for supply of development rights or FSI (including additional FSI);
- (b) the monetary consideration paid by him, for supply of development rights of FSI (including additional FSI) relatable to construction of residential apartments in project;
- (c) the upfront amount (called as premium, salami, cost, price, development charges or by any other name) paid by him for long term lease of land relatable to construction of residential apartments in the project; and
- (d) the supply of construction service by him against consideration in the form of development rights or FSI (including additional FSI),-

shall arise on the date of issuance of completion certificate for the project, where required, by the competent authority or on its first occupation, whichever is earlier.

2. Explanation:

- (i) The term "apartment" shall have the same meaning as assigned to it in Real Estate (Regulation and Development) Act, 2016.
- (ii) The term "promoter" shall have the same meaning as assigned to it in Real Estate (Regulation and Development) Act, 2016.
- (iii) the term "project" shall mean a real estate project (REP) or a residential real estate project (RREP);
- (iv) "Real estate project" shall have the same meaning as assigned to it in the Real Estate (Regulation and Development) Act, 2016."
- (v) the term "residential real estate project (RREP)" shall mean a REP in which the carpet area of the commercial apartments is not more than 15% of the total carpet area of all the apartments in the REP.
- (vi) Tax on services covered by sub-para (i) and (ii) of paragraph 1 above is required to be paid under RCM in accordance with notification No. 13/2017-State Tax (Rate), dated 30.06.2017 published in the Gazette of Sikkim, Extraordinary, vide no 292, dated 28.06.2017.

3. This notification shall come into force on the 1st day of April, 2019.

Dipa Basnet
Secretary
Commercial Taxes Division
Finance, Revenue & Expenditure Department.